

Introduced by Senator Calderon

February 18, 2011

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 884, as introduced, Calderon. Tax administration: Franchise Tax Board and the State Board of Equalization: sale of tax liabilities.

The Personal Income Tax Law and the Corporation Tax Law impose taxes on, or measured by, income. The Franchise Tax Board administers the Personal Income Tax Law and the Corporation Tax Law. Existing law requires the Franchise Tax Board to administer specified taxes and collect those taxes from taxpayers.

Existing law requires the State Board of Equalization to administer specified taxes, including sales and use taxes, fuel taxes, and alcoholic beverage taxes, and to collect those taxes from taxpayers.

This bill would declare the intent of the Legislature to enact legislation authorizing the boards to make a sale to private investors of specified tax liabilities that are subject to an automatic stay on collection of taxes pursuant to a bankruptcy proceeding, and requiring the resulting revenues to be transmitted to the General Fund, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation that does both of the following:
- 3 (a) Authorizes the Franchise Tax Board and the State Board of
- 4 Equalization to sell to private investors those tax liabilities under

- 1 the jurisdiction of the boards that are subject to an automatic stay
- 2 on collection of taxes pursuant to a bankruptcy proceeding under
- 3 Title 11 of the United States Code.
- 4 (b) Requires the revenue from the sale of the tax liabilities
- 5 described in subdivision (a) to be immediately transmitted to the
- 6 General Fund upon receipt.